



FAIRFIELD INDUSTRIES

10627 Kinghurst • Houston, Texas 77099 U.S.A.
Tel: 713/981-8181 • Fax: 713/879-1472 • Toll Free: 800/231-9809

July 29, 1997

VIA FAX AND FEDERAL EXPRESS

Attention: Kumkum Ray – G & G Comments
Minerals Management Service
U.S. Department of the Interior
Mail Stop 4700
381 Elden Street
Herndon, Virginia 20170-4817

Fax No. (703) 787-1575

Re: Proposed Regulations on G&G Exploration

Dear Mr. Ray,

In response to the MMS notice of proposed rulemaking: G&G Explorations of the Outer Continental Shelf (OCS) 62 Fed. Reg. 6149 (February 11, 1997), the following comments are submitted on behalf of Fairfield Industries Inc. Fairfield Industries is a minority owned geophysical company currently conducting multi-client non-exclusive 3D seismic surveys in the Gulf of Mexico. We concur with the positions of the IPAA and the IAGC regarding this proposed rule change. We believe that if this rule is enacted as originally proposed it would have grave consequences on the future of 3D seismic spec data programs in the Gulf of Mexico. 3D seismic spec data has revolutionized the exploration in the Gulf of Mexico as evidenced by the increase in activity during the last two years. These last two years have been record setting.

Over the last several years, Fairfield Industries has licensed data in reliance on MMS' actions regarding access to data. Those actions demonstrated that MMS would not seek access to data processed by non-exclusive data licenses. To the extent that access to that information is sought under the proposed rules, Fairfield Industries would be required to redraft all of its existing and future licensing agreements. Given that over 80% of Fairfield Industries revenue are generated from the issuance of such licenses, the consequences of this rule making could be devastating.

We therefore urge once again that MMS withdraw and rethink its approach to these critical issues in order to avoid the potentially dire consequences to both Fairfield Industries and the OCS leasing programs. If you have any questions, please do not hesitate to contact me at (713) 981-8181.

Sincerely,

for Marc A. Lawrence
Marc A. Lawrence

Marc A. Lawrence
Sr. Vice President

MAL/tdf